



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

December 7, 2000

TREASURER ANGELIDES SELLS VETERANS AFFAIRS GENERAL OBLIGATION BONDS

SACRAMENTO, CA—California State Treasurer Philip Angelides conducted a bond sale for the Department of Veterans Affairs on December 6, 2000, selling a total of \$230,400,000 in general obligation bonds at a true interest cost of 5.442 percent. The sale included \$115 million in general obligation bonds to fund new mortgage loans under the Farm and Home Purchase Program. Another \$115,400,000 was issued to reduce the Department's borrowing costs and to replace and refund certain outstanding obligations of the State. The bonds were rated AA, Aa2, and AA by Fitch, Moody's Investors Service and Standard & Poor's, respectively.

The underwriters, led by Bear, Stearns & Co. Inc. with Merrill Lynch & Co. and Lehman Brothers serving as co-senior managers, sold the bonds in a negotiated sale. E.J. De La Rosa & Co. Inc.; Great Pacific Fixed Income Securities, Inc.; J.P. Morgan Securities, Inc.; Morgan Stanley Dean Witter; Pacific American Securities, LLC; Salomon Smith Barney; and Sutro & Company, Incorporated participated in the sale as part of the co-management team. Hawkins, Delafield & Wood served as lead bond counsel with Quateman & Zidell serving as disclosure counsel. Public Resources Advisory Group served as pricing advisor.

The Department of Veterans Affairs began making long-term, low-interest loans available to qualified veterans after World War I. Since its inception in 1921, over 410,500 veterans have benefited from loans provided by this program.

"This sale will provide additional low-interest home loans to California veterans," said Angelides. "Making affordable home loans available to veterans is an important part of a housing strategy aimed at increasing home ownership and providing affordable housing for Californians."

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